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OCTOBER 11. 1974

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MEMORANDUM FOR SECRETARY KISSINGER

FROM: THE SITUATION ROOM

SUBJECT: MORNING NEWS SUMMARY

THE WASHINGTON POST

BERNARD NOSSITER COVERS THE NARROW LABOR PARTY VICTORY IN THE SMALL MARGIN SUGGESTS THE SOCIALISTS MAY HAVE BRITAIN. TROUBLE ENACTING THEIRR PROGRAM IN FULL, (A-1) SENATOR GRIFFIN SAID YESTERDAY HE BELIEVES PRESIDENT FORD WILL NOT RESUBMIT PETER FLANIGAN'S NOMINATION AS AMBASSADOR TO SPAIN TO THE SENATE. (A-2) AMBASSADOR BRUCE TOLD THE SFRC YESTERDAY THAT THE PRC WILL EVENTUALLY BECOME AN IMPORTANT OIL PRODUCER. MICHAEL GETLER REPORTS CJCS GENERAL BROWN'S REMARKS YESTERDAY THAT HE WAS NOT CONFIDENT THAT THE PENTAGON COULD COPE WITH THE COMBINED IMPACT OF CONGRESSIONAL BUDGET CUTS AND INFLATION WITHOUT CHANGING U.S. MILITARY STRATEGY. SECRETARY SCHLESINGER IS TO EXPLAIN WHAT CHANGES WILL BE NECESSARY. BROWN ALSO QUESTIONED THE WISDOM OF ALLOWING SOVIET SPECIALISTS TO TOUR U.S. JETLINER FACILITIES, NOTING THAT A KEY U.S. ADVANTAGE IN THE MIDDLE EAST WAR WAS THE CARGO AIRLIFT. (A-3) MARY RUSSELL REPORTS THE HOUSE RULES COMMITTEE CLEARANCE FOR FLOOR ACTION TODAY A SENATE RESOLUTION SUSPENDING THE CONGRES-SIGNAL CUTOFF OF AID TO TURKEY UNTIL DECEMBER 15. THE VOTE ENSURES A SHOWDOWN ON THE HOUSE FLOOR TODAY, IN THE CONTINUING ADMINISTRATION BATTLE TO GIVE YOU TIME TO RESOLVE THE CYPRUS DISPUTE. (A-3) THE PRESIDENT'S PLEA IN DETROIT LAST NIGHT FOR BIPARTISAN SUP-PORT FOR THE DELAY IS NOTED BY LOU CANNON ON PAGE A-8. JONATHAN RANDAL REPORTS SOCIALIST GAINS IN FRANCE ARE STIRRING THE COMMUNIST PARTY'S IRE. SUCIALIST SUCCESSES REVIVE SUG-GESTIONS THAT MITTERRAND MIGHT BE TEMPTED TO ABANDON HIS AL-LIANCE WITH THE COMMUNISS AND ATTEMPT TO ACHIEVE PPOWER WITHOUT THEM. (A-16) DOUGLAS RAMSEY SAYS THE EEC IS EXPECTED SHORTLY TO SELL OR GIVE

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ONE MILLION TONS OF WHEAT TO INDIA TO HELP AVERT MASS STARVA-TION THERE. IT WOULD BE THE LARGEST SUCH ACTION TO DATE AND THE FIRST EVER DELIVERED TO INDIA. ACTION IS EXPECTED WITHIN TWO WEEKS, WITH THE EEC PROBABLY GIVING 300,000 TONS OF FOOD AID AWAY AND SELLING 700,000 TONS TO INDIA AT WORLD MARKET FRICES. (A-18) OMAN HAS ANNOUNCED THE DEPARTURE OF TRANTAN TROOPS FOLLOWING COMPLETION OF THEIR TASK TO AID GOVERNMENT FORCES AGAINST DHOFARI INSURGENTS. (A-18) MARILYN BERGER SAYS YOU AND PRESIDENT SADAT DISCUSSED ENDING ARAB BELLIGERENCY FOR A SECOND ISRAELI WITHDRAWAL FROM THE SINAI. IT IS ANTICIPATED THAT UNDERSECRETARY SISCO WILL SHUTTLE BETWEEN CAPITALS TO GET THE NEGOTIATING PROCESS STARTED RATHER THAN REINSTITUTING THE GENEVA TALKS. (A-19) THE LEAD EDITORIAL CONTENDS THAT THE 150KT LEVEL FOR A TEST BAN TREATY IS FAR TOO HIGH BECAUSE IT WOULD NOT PERFORM THE ARMS-CONTROL FUNCTION OF DAMPENING DOWN THE ARMS RACE. YOU RAISED THE POSSIBILITY THAT SOVIET-AMERICAN AGREEMENT ON PEACEFUL BLASTS MAY NOT BE FORTHCOMING, REFLECTING A NEW FORD ADMINISTRATION SKEPTICISM ABOUT THE NIXON AGREEMENT PERMITTING TESTS OF ANY KIND. CONTROLS ON WEAPONS TESTING MUST BE RE-LATED TO THE CONFIGURATION OF STRATEGIC FORCES. AND "PEACEFUL" TESTS MUST BE RELATED TO BROADER EFFORTS TO LIMIT NUCLEAR ARMS PROLIFERATION. (A-24)STEPHEN ROSENFELD BELIEVES THE ARAB EMBARGO DID WHAT YEARS OF SOVIET AND CHINESE HUFFING AND PUFFING FAILED TO DO -- BRING THE QUESTION OF THE HAVES AND HAVE NOTS TO CENTER STAGE AT THE THE RESULT IS THE GENERAL ASSEMBLY IS IN THE ARAB POCKET ON MIDEAST ISSUES, INCLUDING THE PALESTINIAN QUESTION IN ITS POLITICAL ASPECTS. THE ASSEMBLY IS NO LONGER A PLEASANT OR USEFUL PLACE FOR AMERICANS TO OPERATE AND SO THE U.S. WILL BE INCREASINGLY INTERESTED IN CONFINING MATTERS OF SPECIAL CON-CERN TO THE SECURITY COUNCIL. (A-24) JACK ANDERSON'S COLUMN ENTITLED HENRY KISSINGER'S FIRST BIG TILT FLASHES BACK TO JANUARY, 1970 AND EXPOSES THE REPORTED TIGHTROPE YOU HAD FORMER PRESIDENT NIXON WALK POLICY-WISE BETWEEN BLACK AND WHITE AFRICA, WITH A SECRET TILT TOWARD THE WHITE SUPREMACIST NATIONS. IN ADDITION TO CLASSIFIED DOCUMENTS AND DOZENS OF INTERVIEWS," MR. ANDERSON REFERS TO . NATIONAL SECURITY STUDY MEMORANDUM 39 TO OUTLINE YOUR RE-PORTED FIVE OPTIONS FOR DEALING WITH THE EXPLOSIVE BLACK-WHITE CONFRONTATION. EACH OPTION BASICALLY ADMONISHED MR. NIXON TO "STRADDLE" THE ISSUE BY ASSUMING AN ECLECTIC POSTURE, AL-THOUGH YOU OUTWARDLY WOULD APPEAR TO SYMPATHIZE WITH THE BLACKS WHILE FOSTERING A SECRET KINSHIP FOR THE WHITES. (D19)

THE NEW YORK TIMES

BERNARD GWERTZMAN REPORTS THAT YOU ARE "ENCOURAGED" BY PROGRESS MADE TOWARD REACHING A FORMULA FOR THE NEXT ROUND OF ARAB-ISRAELI

YOU DECLINED TO PROVIDE DETAILS ON THE MEETING NEGOTIATIONS. WITH PRESIDENT SADAT. (2) PRAVDA, IN A CRITICAL COMMENTARY APPEARING JUST FOUR DAYS BE-FORE FAHMI'S VISIT, CHASTISED EGYPT FOR A NEW ECONOMIC POLICY THAT OPENED THE COUNTRY TO WESTERN ECONOMIC INVESTMENT AND INFLUENCE. (2) PRESIDENT KORUTURK CALLED AGAIN ON ECEVIT TO TRY TO FORM A NEW GOVERNMENT. (3) THREE AMERICAN NEWSMEN WERE ATTACKED BY SAIGON POLICE YESTER-DAY AS ANTI-THIEU DEMONSTRATIONS CONTINUED TO GAIN MOMENTUM. (4)SOVIET-BLOC OFFICIALS SAID TODAY THAT THE SOVIET UNION AND FOUR OF ITS EAST EUROPEAN ALLIES -- POLAND, HUNGARY, BULGARIA, AND CZECHOSLOVAKIA -- EXPECT TO RESUME DIPLOMATIC TIES WITH ISRAEL IN 1975. (4) ACCORDING TO A POLL PUBLISHED BY THE NEVSPAPER HAARETZ IN TEL AVIV, YOUR POPULARITY HAS PLUMMETED AMONG ISRAELIS SINCE THE RAMADAN WAR. (4) IRAN HAS CHARGED THAT MISMANAGEMENT OF THE ECONOMY AND OVER CONSUMPTION IN THE U.S. AND EUROPE, NOT THE RISE IN DIL PRICES, HAS TRIGGERED THE INFLATIONARY CRISIS. (8) AN EDITORIAL CITES PREMIER RABIN'S EFFORTS TO PREVENT MILITANT ISRAELIS FROM ATTEMPTING TO ESTABLISH NEW SETTLEMENTS IN THE OCCUPIED WEST BANK AS AN ACT OF EXEMPLARY POLITICAL COURAGE AN ACT WHICH GIVES EVIDENCE OF THE SINCERITY AND DETERMINATION OF THE ISRAELI GOVERNMENT TO PREVENT A HARDLINE MINORITY FROM DISRUPTING EFFORTS FOR A NEGOTIATED SETTLEMENT.

THE BALTIMORE SUN

THE ASSOCIATED PRESS REPORTS THAT THE JUSICE DEPARTMENT SENT LETTERS TO THE ATTORNEYS FOR FORMER PRESIDENT NIXON AND HIS THREE CLOSEST ADVISERS TO OFFER TO CONTINUE REPRESENTING THEM IN THEIR IMPENDING CIVIL SUITS. (A-1) THE CHAIRMAN OF THE FEDERAL RESERVE BOARD YESTERDAY GAVE A LUKE-WARM ENDORSEMENT TO THE PRESIDENT'S NEW ECONOMIC PACKAGE, OSTENSIBLY AN INDICATION THAT IT IS NOT "TOUGH" ENOUGH. BOARD INDICATED THAT IT WILL NOT BE ABLE TO EASE THE CURRENT TIGHT MONEY TREND. (A-1) THE ASSOCIATED PRESS ANNOUNCED THAT LIBYA HAS ORDERED THE CLOSING OF EXXON CORPORATION'S OIL PRODUCTION FACILITIES THERE. THE ORDER FOLLOWED EXXON'S DECISION TO SHUT DOWN ITS LIQUEFIED NATURAL GAS PLANT IN LIBYA, FOLLOWING A GAS PRICE DISPUTE WITH ITALY. (A-2) YOUR PICTURE IS DISPLAYED AS YOU PREPARE TO ENTER THE MOHAMMED ALI MOSQUE IN CAIRO. (A+2) THE SUN COVERS YOUR CLAIM OF PROGRESS LAST NIGHT AFTER THE SECOND ROUND OF TALKS WITH PRESIDENT SADAT. REPORTEDLY, HOW-EVER, YOU INDICATED THAT THE NEXT ROUND OF NEGOTIATIONS HAD NOT YET BEEN AGREED ON. (A-2)

No Objection To Declassification in Full 2011/04/28: LOC-HAK-261-5-1-5

ARIEL SHARAN, THE ISRAELI GENERAL WHO LED TANKS ACROSS THE SUEZ CANAL DURING THE OCTOBER WAR, SAID HE FEARED ISREAL AND THE ARABS WILL FIGHT AGAIN. THE GENERAL SPECULATED THAT THE ARAB SIDE WOULD INCLUDE EGYPT AND SYRIA. (A-2) THE MOSCOW BUREAU OF THE SUN REPORTS THAT, UNOFFICIALLY, MANY SOVIET ECONOMISTS ARE WORRIED ABOUT CREEPING INFLATION. THE GOVERNMENT REPORTEDLY IS CONSIDEERING PROPOSALS TO OVERHAUL THE TWO BUREAUCRACIES THAT CONTROL WAGES AND PRICES. (A-4) JOSEPH ALSOP CRIES OUT AGAINST WHAT HE TERMS THE "PYGMIES" IN CONGRESS. HE BLAMES THE PRESENT U.S. WOES ON THE MANY CONGRESSMEN WHO HAVE PUT THEIR OWN INTERESTS AHEAD OF THE COUNTRY'S. ON THE OTHER HAND, HOWEVER, MR. ALSOP SAID THAT THE UNITED STATES "NEVER HAD A MORE ABLE PUBLIC SERVANT THAN HENRY A. KISSINGER." PRESIDENT FORD AND DONALD RUMSFELD WERE ALSO GIVEN IMPRESSIVE ACCOLADES. (A-19)

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